GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:1738
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Recession in IT
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether due to global economic recession, Communications and Information Technology Industries is also showing such signs;
(b) if so, the details thereof;
(c) the likely shortfall in investments; and
(d) the estimated decline in the employment opportunities in the service sector in India due to the above reasons?

Answer

(a) to (c): According to National Association of Software and Services Companies (NASSCOM), the global economy is experiencing multiple changes due to stagnation of economic growth and other changes which inter-alia include fluctuation in currency and equity markets, commodity prices decline, and unemployment issues. The Worldwide information Technology − Buisiness Process Management (IT-BPM, excl. hardware) spend in 2015 was impacted by the volatility in global currencies and other factors resulting in a near flat growth of 0.4 per cent at USD 1.2 trillion in 2015. However, despite these economic headwinds, global outsourcing registered growth of about 8.5 per cent and is estimated at USD 162-166 billion in 2015. India continues to be the World leader in outsourcing destination with share of 56 percent of the total global outsourcing market. India's IT-BPM industry is estimated to grow at 9.0 percent in FY 2015-16 to reach USD 130 billion.

As per the Department of Industrial Policy & Promotion (DIPP), the Foreign Direct Investment (FDI) inflows in the country in Computer Software and hardware sector during the year 2014-15 and 2015-16 (Upto Dec'15) have registered significant growth.

(d): The employment data related to investments is not maintained. However, the Indian IT-BPM industry continues to be a net hirer adding about 2 lakh employees in FY2015-16 reaching a total employee base of 3.7 million.

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